

Helping everyday people make good financial decisions

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Pay off the credit card, reduce the home loan, save for retirement – sound familiar??

Have you started the year wondering where all your hard earned money goes and what you can do to get ahead?

Power2's personal cash flow programme will get you on track to reach your goals quicker in 2011.

Get rid of those credit card bills; make sure you have the right home loan; ensure you are not paying too many fees.... Whatever your circumstances, let us help you get there sooner. Designed for working families like yours, you will be sure to fulfill your financial New Years' resolutions with Power2

To find out how to get started, contact our cash flow guru, John Carroll, now on 49 577 574 or pop into our office at 14a Victoria Street.



Financial New Year's Resolutions – do you have them?

It's January. The credit card bills from your Christmas splurge are beginning to arrive in the mailbox. Every day brings the dread of a phone call from the bank. Time to make some New Year's resolutions?

Now we know it's easy to be cynical about New Year's resolutions, but people who make them are 10 times more likely to accomplish the changes they want than those who don't formally resolve. So go ahead, make those grand promises to yourself to save money and pay down debt. But have a long term financial plan too.

Here are some things that can help you increase the chances of actually keeping your financial New Year's resolutions:

1. Break it down

You've heard this before. Make your goals more specific. Look at your budget. Can you save \$100 more per month? Make that your goal. Figure out what you need to do to make it happen.

Open a high interest savings account. Arrange to have the money automatically deducted from your wages and deposited into the account. The same goes for paying off debt. Or refinancing your home.

Look at the small steps you need to accomplish your goal, and then map out a plan.



2. Look for support

A good support system can go a long way. If you have a life partner, make goals together, and then encourage each other. Ask for help from other friends and relatives. If you are trying to get out of debt, let your friends know and ask them to help you avoid temptation. Find others with similar goals so that you can encourage each other to make better progress.

3. Reward yourself

Since you are breaking your financial New Year's resolution into small doable steps, you can actually reward yourself. You don't have to make the reward expensive either. Do something small, but fun. It could be as simple as having an ice cream or treating yourself to a new book or taking a few extra minutes to relax or sleep in. Whatever it is, mark the occasion when you accomplish one of your small goals.

4. Don't get too bent out of shape about slip ups

Don't assume that your goal is completely scuttled if you break down one month and raid your emergency fund, or if you pull out the credit card for a grocery shopping trip. Instead, look at the circumstances that led to the lapse, and see how you can rectify the problem going forward. Don't dwell on the mistakes; learn from them and move forward. Remember that your resolutions don't have to be made just once a year. You can start fresh in March if you have to. The idea is to be making sustainable financial changes that will eventually become second nature to you.

The bottom line is that, even though we make Resolutions at this time of year, we really should be focusing on improvement throughout the WHOLE year. To find out more about a plan from Power2 that WILL save you money, check out the information opposite or contact us now on 49 577 574.



Would you like to keep in touch with the latest news from Power2? Just let us know and we can include you in our regular newsletters. Call 49 577 574 or email at enquiries@power2.com.au to register

Tax Saving Tips Education Tax Refund Update

The Education Tax Refund (ETR) is a government initiative to help with the cost of educating primary and secondary school children. It means eligible parents, carers, legal guardians and independent students could get 50% back on some education expenses. This includes items like computers, educational software, textbooks and stationery.

Now that we are into the summer school holidays it is important to remember that when you are buying those supplies for the new school year – remember to keep all those receipts as you will need these when you claim your Education Tax Refund later in the year.

For more information, visit www.educationtaxrefund.gov.au or talk to one of our consultants here at Power2.

Peter Trifelly
Partner



Protect your biggest asset now

No matter whether you are young and single or have a family and a mortgage, your income is one of your most valuable assets, because it supports your lifestyle.

Most people never stop to consider how long they could cope without their income. And yet injuries and illnesses - the sort that leave you unable to work - can and do happen all the time.

Isn't it funny that we all insure our cars, house, contents, boat and other goods, yet we forget to insure our most valuable asset – ourselves.

In fact we are seriously underinsured. A staggering 63% of full time Australian workers DON'T have income protection insurance (Source: Newspan, Feb 04) and therefore leave themselves vulnerable in the event that they could not work, for whatever reason.

What is Income Protection?

Income Protection Insurance provides you with a regular source of income should you be unable to work for a period due to sickness or injury. You can generally insure for up to 75% of your earned income. There are a number of options available relating to waiting periods, benefit periods, early accident options and superannuation continuance. Payments are only ever made in accordance with the Insurers policy terms and conditions.

ASIC says that 80 per cent of Australians are under-insured!

'Insurable Income' can be different to your earned income or taxable income and as such reference should be made to tax returns; tax returns are necessary proof of 'insurable income' if applying for an 'agreed value' policy. The Insurers Product Disclosure Statement includes a description of 'agreed value' and 'indemnity' policies.

Why do you need Income Protection?

- You like your lifestyle but don't have never-ending savings to replace your regular income.
- To protect the income you earn.
- You have a family to provide for.
- You have debt that needs to be serviced.
- You don't know when illness or injury might occur.
- Your business needs cash flow due to lost revenue when a 'key person' is unable to work due to accident or sickness.

Also, the income protection insurance premiums you pay are generally tax deductible. This means you could increase your tax refund substantially each year by claiming.

If you would like to find out more about income protection or other Life insurances contact John Carroll at the office today.

Check out our website at power2.com.au or follow us on FaceBook



Important Lodgement Date for Individual Tax Returns

For those people who have yet to lodge a 2010 tax return, time is running out!!

The cut off date for those people who lodge their **own** tax returns was 31st October 2010 which means if yours is not completed yet you could incur penalties from the Tax Office. Remember to get yours completed as soon as possible.

The last date for submitting 2010 tax returns through a **Tax Agent**, such as Power2, is 16th May 2011 so you have a bit of time to get yourself and your records organised. Remember though that at that time of year there is an influx of people getting their tax up to date so to avoid the possibility of not getting yours completed in time book early. Just talk to one of our team to book yours.

*As our motto suggests we aim to
"help every day people make good
financial decisions"*



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